

FINANCE AND HUMAN RESOURCES COMMITTEE MEETING

Draft Minutes

Date	25 November 2014	Time	15.00
Venue	Station Plaza Boardroom SP119		
Chair	Ken Melsom MBE JP		

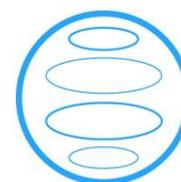
Membership: Ken Melsom MBE JP (Chair); Wendy Bennett; Tony Campbell OBE KSG FRSA; Principal (Clive Cooke); Paul Evans; Pat Farmer; Sue Walton

Apologies: Wendy Bennett

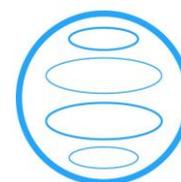
Lead officers: VP Corporate Services (Biram Desai); VP EES (Dan Shelley) In attendance: Head of HR (Jackie Travis); Student President (Carlie Stace)

At 14.00 governors attended a visit to Health and Social Care led by Angela Gollledge - LSM for Health and Social Care. Attendees: Ken Melsom, Tony Campbell, Pat Farmer, Carlie Stace

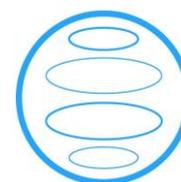
	Item	Action
1.	Apologies Apologies were received from Wendy Bennett and the VP EES attended for his item only.	
2.	Declarations of interest Sue Walton declared that she was an employee of Pestalozzi. Paul Evans and Ken Melsom declared their directorship of Hastings Plaza Trading Ltd. Paul Evans also declared his membership of the Hastings Academies Board, Sea Change and the board of Pestalozzi Pat Farmer declared his interest as a member of the Hastings and Rother Task Force.	
3.	Minutes of the last meeting held on Thursday 9 October 2014 RESOLVED: The minutes of the previous meeting were agreed as a true and accurate record. Proposed: KM; Seconded: PF; CARRIED	
4.	Matters arising on the minutes PF reported that Gladedale Estates are looking to sell the development to another developer instead of the University of Brighton who are looking for an alternative site for student accommodation. The VP CS updated on non-pay costs reduction for 2014-15. The VP CS clarified that the increase in operating expenses is due to the inclusion of subcontracting and the figure without subcontracting is static and coming down. One governor noted that teaching salaries are tightly controlled and questioned whether other areas are so closely monitored and whether the College was taking opportunities to reduce costs and getting the whole organisation to look at savings. The VP CS reported that this is looked at closely and there is an in year reduction programme. The Principal reported that the PPRs demonstrate that staff ownership of their own budget is very clear.	



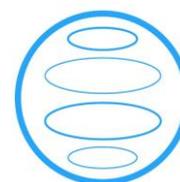
	<p>PF reported that all managers had attended the last Health and Safety Committee. The Clerk agreed to circulate accident reports via email.</p>	Clerk
5.	<p>Key Performance Indicators relating to Finance and HR – agree Strategic Targets for 2014-15 Strategic Plan 2013-15</p> <p>The Committee considered the strategic targets for 2014-15 for finance and HR (see report for full details) All targets were agreed with a change of wording suggested for 1.4 to meet the current need for teachers to be able to deliver e learning. The VP CS agreed to add in actual year to date on staff costs as it was missing from the target sheet.</p> <p>RESOLVED: Subject to the amendments above Committee agreed the strategic targets for 2014-15 for finance and HR. Proposed: PE; Seconded: PF; CARRIED</p>	Principal VP CS
6.	<p>Human Resources Report</p> <p>The Head of HR reported that following the debate on reports presented to the Committee at the last meeting she is working on format and content of reports to best meet the needs of the Committee and is in particular focusing on the HR performance indicators recommended by the FE Commissioner.</p> <p>Exit interviews have been included as an item and provide a summary showing the College has a low voluntary turnover. The main reason for departure is career growth elsewhere. The College comes out very well as an employer. The Committee queried why 6 staff members had left from Additional Learning Support (ALS) and Student Services. The Head of HR reported that this was due to staff leaving and not being replaced in areas of high resource and also to fractional staff.</p> <p>The Principal noted that he felt the College provided a good career with recognition and rewards for staff but in the current times of austerity career progression was limited as the organisation is flattened with significantly less management posts. Looking at how staff can feel more valued and how career growth can be included and also how staff can be home grown and developed as apprentices and trainees were all areas of focus for the SLT. The Committee noted that the feedback of 40% of staff saying that management is satisfactory or poor is concerning. The Head of HR reported that in the current climate of restructures it is difficult for management to be seen in a positive light. One governor asked if there is a training opportunity for managers and a need for better communications between management and staff.</p> <p>The Head of HR reported that the correct total budget allocated for staff development is £73413. The significant sum of £10,000 has been allocated for English and maths and the Committee considered the other areas of training. They questioned how much training is delivered externally and the Head of HR reported that the majority is delivered in house with some areas outside for specific areas of expertise. There is a lot of management training underway and managers are currently completing modules. Inspection training looking at what an inspector looks for in good practice in the classroom is being delivered Module 1 of performance management is being run by an external trainer followed by Having Courageous Conversations with People.</p> <p>The Head of HR reported that in the current restructure 8 jobs will be lost and 16 staff have been affected. Assessments are taking place this week and the College will try and redeploy staff where possible but are not creating vacancies. Any new recruitment will continue to be robustly challenged.</p> <p>The Committee asked for details on areas affected by the current restructure and the</p>	



	<p>published summary figures for a second year. The governor suggested the full Corporation should be consulted on the issue as it had led to a disclosure and the Clerk agreed to speak with the Chair of Search and take forward.</p> <p>The Committee asked that Baker Tilly update p.16 to say that the College has no uncorrected misstatements.</p> <p>RESOLVED: The Committee recommended to approve the Audited 2013-14 Annual Report and Financial Statements (pre-final draft) and Baker Tilly Audit Findings Report subject to the amendments above. Proposed: SW; Seconded: PF; CARRIED</p>	<p>Clerk</p> <p>VP CS</p>
<p>8.</p>	<p>September 2014 Management Accounts</p> <p>The VP CS reported that in most areas it had been a steady start to the year. A lot of work has taken place in the first term in enrolment, validating enrolment and the Right Choice period.</p> <p>The College did not grow into the lag funding of 13% and there have been discussions and actions around savings in year to compensate.</p> <p>The VP CS noted that he is confident about achieving surplus for the rest of the year and in January a lot more information as to where the business is going will be available. Cash flow is a real challenge and there is a big issue about what the 16-18 allocations from the SFA will be for next year.</p> <p>The Committee asked about debts and the VP CS reported that there are no concerns on outstanding debts and the College has a very low level of bad debt right offs and very good debt chasing processes in place. The Committee noted that the debts are now aged.</p> <p>The Vice Chair of Corporation questioned why the October monthly accounts are not available and the VP CS reported that the October accounts were finished yesterday and will go forward to Corporation. He noted that the resources to get accounts more up to date were not available. The Committee questioned whether there were any areas of concern in the later accounts and the VP CS confirmed there were no significant areas of concern in the October accounts.</p>	<p>VP CS</p>
<p>9.</p>	<p>Update on the College Overdraft</p> <p>The VP CS reported that Barclays wish to reduce the overdraft. Cash flow is very tight and weekly cash flow predictions are in place which show the margin for operating comfortably is very tight.</p> <p>In summary the VP CS noted that there are stark risks from reducing the overdraft facility but also risks in not doing so. The College does not want to reduce confidence with the bank and the SFA and the Principal has tasked the VP CS with carrying out more research into high impact risks in lowering/not lowering the overdraft. Once compiled the Chair of F&HR will be invited to meet and go through the results to consider further.</p> <p>It was agreed it would be challenging to lower the overdraft facility and deal with the severe austerity measures in the sector. The Vice Chair of Corporation asked the VP CS the level of the bank charges for a breach of contract and the VP CS agreed to look into. One governor reported on the loan agreements and the cross default across them, meaning the loans can be called in if the overdraft is defaulted on. Following a default the bank will start sending penalty notices and will charge for all their costs for retrieving the debt within a tight timescale.</p> <p>One governor suggested the College look into comparative rates in the sector and demonstrating that the College has a good management record and is in a strong position to go and speak to another bank. The VP CS noted that the College would need</p>	<p>VP CS</p> <p>VP CS</p> <p>VP CS</p>



	<p>consent to move the overdraft. The VP CS reported that Barclays are asking for a conversation about the overdraft and he will put a paper together and meet with the Chair and other committee members to rehearse the College's position.</p>	VP CS
10.	<p>Report on Students' Council Accounts 2013-14 The Student President reported on the Student Union accounts and noted the following points:</p> <ul style="list-style-type: none"> • Within the SU accounts there is £1000 for the enterprise society. • Money being held in the account is £300-£400 for a laptop and aerial and £250 for pool table repairs. Due to a new contract where pool tables are supplied and serviced for free in exchange for a 40% share of the profits. <p>The Committee thanked the Student President for a clear and concise report and agreed the accounts.</p>	
11.	<p>Shared Systems Update The VP CS reported that SSSC system is going live at the College on 9 February 2015. It is causing a lot of additional work for the Finance team and assistance is currently being received from the build team. The system does not produce a College wide set of management accounts which includes all the information in the current accounts. The College does not want a reduction of information so may retain the current system for the production of management accounts and launch it at a later date. The Committee asked about the change from the last meeting when the VP CS was considering whether or not to proceed with the project. The VP CS reported that he didn't expect it to be error free but the existing software will soon become unsupported. At the current time the build team is still in post with the organisation so the College can use their expertise. The Committee asked about all the benefits of the system and the VP CS reported that it will be a supported system but there is nothing else that takes it forward from the current system. The software is free which saves a capital purchase. The Principal reported that the College has decided not to be a part of the next phase on a People Centre.</p>	
12.	<p>Accommodation and Estates report The VP CS reported as follows:</p> <ul style="list-style-type: none"> • EDF have lodged the claim for CPO Compensation for land at Ore Valley. The compensation claim is with the Lands Tribunal and the College is contractually required to meet the agreed compensation within 20 days of the ruling which is expected shortly. • LOR continue to address building latent defects. Negotiations are still on going with regard to the issuing of the Making Good Defects certificate • A tender for the installation of a bare floor only on the 5th floor of Station Plaza with costs of circa £100k to floor the remaining 5th floor. The Committee suggested that a cost for the full project was required. • A meeting with the Charity Commission on the 13 October was positive and a draft scheme has been received for the Pyke House sale proceeds • An offer has been received on 39 Devonshire Road and exchange of contracts will take place shortly. The Clerk asked that the approval of sale goes forward to Corporation to approve the sale and the signing of the contracts by the Chair of F&HR and the VP CS • The College is working with BT and ESCC to install a fibre link at the 	Clerk



	Construction and Industry Training Centre (CITC) to give the same level of connectivity as the main sites.	
13.	Health and Safety report The Vice Chair of Corporation reported that there had been good attendance at the last H&S Committee. The VP CS reported that the area outside the College has been allocated as a zone of concern by the police. The Committee suggested that staff should be using 999 rather than the 101 service if staff are being threatened. The Clerk to forward the accident statistics to the Committee via email. It was noted that there had been no reportable incidents since the last report. 101.	VP CS Clerk
14.	AOB There were no items received.	
	MEETING CLOSED at 16.47	
	Meeting dates for 2014-15 Wednesday 4 March 2015; Wednesday 6 May 2015; Wednesday 10 June 2015 (all 15.00 start)	

Meeting attendance for 2014-15: tbc

Length of meeting: 1hr 47mins